

AMENDED IN SENATE MARCH 5, 2001

AMENDED IN SENATE FEBRUARY 20, 2001

AMENDED IN SENATE FEBRUARY 5, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 5

Introduced by Senators Sher, Alarcon, Bowen, and Burton
(Principal coauthors: Senators Chesbro, Machado, and Perata)
(Principal coauthor: Assembly Member Shelley)
(Coauthors: Senators Figueroa, Karnette, Murray, Polanco,
Scott, Soto, and Torlakson)
(Coauthors: Assembly Members Aroner, Keeley, Pavley,
Strom-Martin, and Thomson)

January 17, 2001

An act to amend Section 15814.20 of, and to add and repeal Chapter 3.5 (commencing with Section 4240) of Division 5 of Title 1 of, the Government Code, and to amend Section 25402.5 of the Public Resources Code, relating to public utilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 5, as amended, Sher. State energy projects.

(1) Existing law authorizes state and local agencies to develop energy conservation, cogeneration, and alternate energy supply sources at the facilities of public agencies through contracts and leases in accordance with specified criteria.

This bill, until January 1, 2004, would authorize state agencies to implement energy related projects, subject to certain criteria, and to

enter into contracts for these purposes subject to certain criteria. The bill would authorize the Director of General Services to exempt state energy projects from the advertising and competitive bidding requirements set forth in state law, if the director deems it necessary to implement these provisions. The bill would exempt state energy projects from a specified capital outlay process at the discretion of the Department of Finance.

(2) Existing law prohibits the State Public Works Board from entering into leases and energy service contracts sooner than 45 days after notification to the Joint Legislative Budget Committee. Existing law authorizes the joint committee to hold a hearing within 45 days of receipt of the notification.

This bill would prohibit the board from entering into a lease and energy services contract sooner than 15 days after notification and would authorize the joint committee to hold a hearing within 15 days of receipt of the notification.

(3) Existing law requires the State Energy Resources Conservation and Development Commission to adopt interior and exterior lighting energy conservation standards, as specified.

This bill would require the commission to adopt lighting standards for outdoor lighting, as defined, that is not subject to the above standards.

(4) Existing law provides for the establishment and implementation of various energy efficiency programs administered by the State Energy Resources Conservation and Development Commission and the Public Utilities Commission.

This bill would, until January 1, 2005, appropriate ~~\$1,026,500,000~~ ~~\$1,039,500,000~~ from the General Fund ~~and the State Highway Account in the State Transportation Fund~~ to implement energy efficiency programs and supplement existing energy efficiency programs. Of that amount, from the General Fund, ~~\$353,000,000~~ ~~\$321,000,000~~ would be allocated to the Public Utilities Commission, ~~\$404,500,000~~ ~~\$464,500,000~~ would be allocated to the State Energy Resources Conservation and Development Commission, \$10,000,000 would be allocated to the Department of Consumer Affairs, ~~\$50,000,000~~ ~~\$100,000,000~~ would be allocated to the Department of General Services, \$24,000,000 would be allocated to the Department of Corrections, ~~\$50,000,000 would be allocated for programs in state buildings and community colleges upon approval of the Department of Finance,~~ and \$120,000,000 would be allocated to the Department of

Community Services and Development and from the State Highway Account in the State Transportation Fund, \$15,000,000 would be allocated to the Department of Transportation, to fund various energy efficiency programs, as scheduled, and subject to reallocation and conditions. Under the bill, any funds that are unencumbered by January 1, 2005, would revert to the General Fund on that date.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares as follows:

2 (a) California is currently experiencing an energy crisis which
3 threatens to adversely affect the economic and environmental
4 well-being of the state.

5 (b) One of the most cost-effective, efficient, and
6 environmentally beneficial methods of meeting the state's energy
7 needs is to encourage the efficient use of energy.

8 (c) The purpose of *this act* is to ensure the immediate
9 implementation of energy efficiency programs in order to reduce
10 consumption of energy and to assist in reducing the costs
11 associated with energy demand.

12 (d) To the maximum extent feasible, the expenditure of funds
13 appropriated pursuant to this act shall be prioritized based upon
14 immediate benefits in peak energy demand reduction and more
15 efficient use of energy.

16 SEC. 2. Section 15814.20 of the Government Code is
17 amended to read:

18 15814.20. The board shall not enter into leases and energy
19 service contracts authorized under this chapter sooner than 15 days
20 after notification in writing of the necessity therefor has been
21 submitted to the Chairperson of the Joint Legislative Budget
22 Committee and the chairpersons of the fiscal committees of each
23 house, or sooner than whatever lesser time the chairperson of the
24 joint committee, or his or her designee, may in each instance
25 determine. At the request of the chairperson of the joint
26 committee, the joint committee may hold a hearing within 15 days
27 of receipt of the notification. If a hearing is held, the affected

1 agencies shall be provided all information available to the joint
2 committee at least 10 days in advance of the hearing. In the event
3 that a hearing is conducted, the joint committee may recommend
4 to the board approval, modification, or rejection of leases or
5 energy service contracts.

6 SEC. 3. Chapter 3.5 (commencing with Section 4240) is
7 added to Division 5 of Title 1 of the Government Code, to read:

8
9 CHAPTER 3.5. STATE ENERGY PROJECTS

10
11 4240. It is the intent of the Legislature to permit state agencies
12 to develop energy conservation, efficiency, cogeneration, and
13 alternate energy supply sources on public property in accordance
14 with this chapter in the most expedient manner possible.

15 4241. As used in this chapter, and as used in Section 3 of the
16 act adding this chapter, “state energy project” means ~~either of the~~
17 ~~following:~~

18 ~~(a) Equipment, load management techniques, and other~~
19 ~~measures or services that reduce energy consumption and provide~~
20 ~~for more efficient use of energy.~~

21 ~~(b) Clean renewable distributed generation equipment for use~~
22 ~~in state buildings or facilities; equipment, load management~~
23 ~~techniques, and other measures or services that reduce energy~~
24 ~~consumption and provide for more efficient use of energy in state~~
25 ~~buildings or facilities, or buildings or facilities owned or operated~~
26 ~~by community colleges.~~

27 4242. State energy projects may be implemented under this
28 chapter with the approval of the Director of General Services and
29 the Director of Finance ~~and may be funded through any authorized~~
30 ~~appropriation or other funding source..~~

31 4243. Prior to awarding or entering into a contract,
32 agreement, or lease, the state agency shall request proposals from
33 qualified persons. After evaluating the proposals, the state agency
34 shall award contracts based on qualifications, including the
35 consideration of such factors as the experience of the contractor,
36 the type of technology to be employed by the contractor on the
37 energy project, the cost to the agency, and any other relevant
38 considerations. State agencies may also award contracts to persons
39 selected from the pool of qualified energy service companies
40 established pursuant to Section 388 of the Public Utilities Code,

when it is determined they are qualified to perform the work on a particular project. For purposes of this chapter, energy projects shall be exempt from Chapter 10 (commencing with Section 4525).

4244. Notwithstanding Section 4243, the Director of General Services may exempt a state energy project from the advertising and competitive bidding requirements of this code and the Public Contract Code, if the director deems the exemption necessary to implement the purpose of this chapter, to reduce peak electricity demand, and to improve energy efficiency.

4245. At the discretion of the Department of Finance, state energy projects may be exempted from the capital outlay process, including, but not limited to, as provided in Section 13332.11.

4246. The Department of General Services may adopt regulations for purposes of this chapter as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. For purposes of Chapter 3.5, including, but not limited to, Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of public peace, health, safety, and general welfare. Notwithstanding the 120-day limit specified in subdivision (e) of Section 11346.1, the regulations shall be repealed 180 days after their effective date, unless the department complies with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 as provided in subdivision (e) of Section 11346.1.

4247. This chapter shall become inoperative on June 30, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 25402.5 of the Public Resources Code is amended to read:

25402.5. (a) As used in this section, “lighting device” includes, but is not limited to, a lamp, luminaire, light fixture, lighting control, ballast, or any component of those devices.

(b) (1) The commission shall consider both new and replacement, and both interior and exterior, lighting devices as lighting which is subject to subdivision (a) of Section 25402.

(2) The commission shall include both indoor and outdoor lighting devices as appliances to be considered in prescribing standards pursuant to paragraph (1) of subdivision (c) of Section 25402.

(3) The Legislature hereby finds and declares that paragraphs (1) and (2) are declarative of existing law.

(c) (1) The commission shall establish an advisory group to provide technical advice, and, after public review, shall prepare and submit a report to the Legislature on or before January 1, 1997, identifying which lighting devices, whether indoor or outdoor, and residential or commercial, may be appropriate either for the commission to include in lighting efficiency regulations and other state energy or lighting efficiency programs or for federal government consideration in setting national lighting efficiency standards. The advisory group shall include, but not be limited to, representatives of the Illuminating Engineering Society of North America, the International Association of Lighting Designers, the National Electrical Manufacturers Association, the Association of Professional Energy Managers, the Lighting Research Institute, the Electric Power Research Institute, the Natural Resources Defense Council, the Department of Energy, the Environmental Protection Agency, and California's electric utilities. No state funds shall be used to support the advisory group.

(2) The commission's report and recommendations shall identify proposed lighting efficiency regulations, standards, or programs that are technologically feasible and cost-effective and that would result in a significant level of energy savings. The report shall emphasize, but not be limited to, residential lighting efficiency, and shall consider requiring manufacturers of light fixtures to produce fixtures which are physically compatible with fluorescent lamps. The report shall also consider educational and labeling programs that could help increase the use of efficient lighting devices.

(d) (1) To the extent not preempted by federal law, on or before February 1, 1997, the commission shall initiate a formal rulemaking proceeding, including public review and hearings, to consider efficiency standards for lighting devices as recommended in the report required by subdivision (c). Any regulations issued pursuant to this paragraph shall be subject to the requirements of paragraph (1) of subdivision (c) of Section 25402.

(2) The commission may also actively participate in proceedings of the Department of Energy concerning the development and adoption of national lighting efficiency standards as recommended in the report.

(e) The commission shall adopt efficiency standards for outdoor lighting. The standards shall be technologically feasible and cost-effective. As used in this subdivision, “outdoor lighting” refers to all electrical lighting that is exterior to buildings but not subject to standards adopted pursuant to Section 25402, and includes, but is not limited to, street lights, traffic lights, parking lot lighting, and billboard lighting.

SEC. 5. In order to achieve a total reduction in peak electricity demand of not less than 2,585 megawatts, the sum of ~~one billion twenty-six million five hundred thousand dollars (\$1,026,500,000), of which one billion eleven million five hundred thousand dollars (\$1,011,500,000) is from the General Fund and fifteen million dollars (\$15,000,000) is from the State Highway Account in the State Transportation Fund,~~ *is one billion thirty-nine million five hundred thousand dollars (\$1,039,500,000) is hereby appropriated from the General Fund to the Controller for allocation according to the following schedule:*

(a) In order to achieve a reduction in peak electricity demand and meet urgent needs of low-income households, ~~three hundred fifty-three million dollars (\$353,000,000)~~ *twenty-one million dollars (\$321,000,000) for allocation by the Public Utilities Commission for the customers of electric and gas electrical corporations subject to commission jurisdiction, to be expended in the following amounts:*

(1) Sixty-six million dollars (\$66,000,000) to encourage the purchase of ~~residential~~ high-efficiency heating, ventilating, and air-conditioning (HVAC) equipment and appliances. *Any funds expended pursuant to this paragraph for the purchase of refrigerators, air conditioning equipment, and other similar residential appliances shall be expended pursuant to the following criteria:*

(A) *Priority for the expenditure of funds shall be given for the purchase of those appliances in low- and moderate-income households, and for the replacement of the oldest and least efficient appliances.*

1 (B) Any funds expended for the replacement of refrigerators
2 shall include a condition that older refrigerators that are replaced
3 are promptly disposed of or recycled in a manner that protects
4 public health and the environment.

5 (2) One hundred million dollars (\$100,000,000) to provide
6 immediate assistance to electric ~~and~~ or gas utility customers
7 enrolled in, or eligible to be enrolled in, the California Alternative
8 Rates for Energy (CARE) Program established pursuant to Section
9 739.1 of the Public Utilities Code. Funds appropriated pursuant to
10 this paragraph shall be expended to increase and supplement
11 CARE discounts ~~for electric and gas utility bill increases resulting~~
12 ~~from increased electric and gas rates incurred on and after the~~
13 ~~effective date of this act, and to increase enrollment in the CARE~~
14 ~~program.~~

15 (3) Twenty million dollars (\$20,000,000) to augment funding
16 for low-income weatherization services provided pursuant to
17 Section 2790 of the Public Utilities Code, and other energy
18 efficient measures to assist low-income energy users.

19 (4) Twenty million dollars (\$20,000,000) for high-efficiency
20 and ultra low polluting pump and motor retrofits for oil or gas, or
21 both, producers and pipelines.

22 (5) One hundred million dollars (\$100,000,000) to provide
23 incentives to encourage replacement of low-efficiency lighting
24 with high-efficiency lighting ~~in commercial and residential~~
25 ~~buildings.~~

26 (6) Fifteen million dollars (\$15,000,000) to encourage
27 installation of demand-responsive and energy-efficient
28 technologies in buildings owned and operated by counties and
29 cities.

30 ~~(7) Thirty-two million dollars (\$32,000,000) to provide~~
31 ~~incentives for construction of high-efficiency nonresidential~~
32 ~~buildings.~~

33 ~~(b) In order to achieve a reduction in peak electricity demand,~~
34 ~~four hundred four million five hundred thousand dollars~~
35 ~~(\$404,500,000) to the State Energy Resources Conservation and~~

36 (b) In order to achieve a reduction in peak electricity demand,
37 four hundred sixty-four million five hundred thousand dollars
38 (\$464,500,000) to the State Energy Resources Conservation and
39 Development Commission (hereafter the Energy Commission), to
40 be expended in the following amounts for the following purposes:

(1) ~~Twenty-seven million dollars (\$27,000,000)~~ *Eighty-seven million dollars (\$87,000,000)* for allocation by the Energy Commission to locally owned public utilities in the following amounts for the following purposes:

(A) Twenty million two hundred thousand dollars (\$20,200,000) to encourage the purchase of ~~residential high-efficiency air-conditioning equipment and appliances.~~ *high efficiency heating, ventilating, and air conditioning (HVAC) equipment and appliances. Any funds expended pursuant to this paragraph for the purchase of refrigerators, air conditioning equipment, and other similar residential appliances shall be expended pursuant to the following criteria:*

(i) *Priority for expenditure of funds shall be given for the purchase of those appliances in low- and moderate-income households, and for the replacement of the oldest and least efficient appliances.*

(ii) *Any funds expended for the replacement of refrigerators shall include a condition that older refrigerators that are replaced are promptly disposed of or recycled in a manner that protects public health and the environment.*

(B) Six million eight hundred thousand dollars (\$6,800,000) to provide incentives to encourage replacement of low-efficiency lighting with high-efficiency lighting ~~in commercial buildings.~~

(C) *Sixty million dollars (\$60,000,000) for energy efficiency, peak demand reduction, and low-income assistance measures in the service areas of the locally-owned public utilities analagous to those measures and programs funded in the service areas of electric and gas corporations subject to the jurisdiction of the Public Utilities Commission pursuant to subdivision (a).*

(2) Seventy million dollars (\$70,000,000) to implement programs to improve demand-responsiveness in heating, ventilation, air-conditioning, lighting, advanced metering of energy usage, and other systems in buildings.

(3) Fifty million dollars (\$50,000,000) to implement a low-energy usage building materials program, and other measures to lower air-conditioning usage in schools, colleges, universities, hospitals, and other nonresidential buildings.

(4) Sixty million dollars (\$60,000,000) to implement a program to encourage third parties to implement innovative peak demand reduction measures ~~in the service areas of public utilities.~~

1 (5) Fifty million dollars (\$50,000,000) to implement a program
2 to reduce peak load electricity usage for the agricultural sector.

3 (6) Fourteen million five hundred thousand dollars
4 (\$14,500,000) to provide incentives for installation of
5 light-emitting diode (LED) traffic signals.

6 (7) Sixty-four ~~millions~~ million dollars (\$64,000,000) to
7 provide incentives for water and wastewater treatment systems to
8 reduce peak usage.

9 (8) Fifteen million dollars (\$15,000,000) to encourage
10 installation of demand-responsive and energy-efficient
11 technologies in buildings owned and operated by counties and
12 cities.

13 (9) Seven million dollars (\$7,000,000) to implement a program
14 to teach school children about energy efficiency in the home and
15 at school.

16 (10) Twenty million dollars (\$20,000,000) for incentives for
17 the retrofit of existing distributed generation owned and operated
18 by municipal water districts to replace diesel and natural gas
19 generation with cleaner technology that reduces oxides of nitrogen
20 emission to less than two parts per million.

21 (11) One million four hundred thousand dollars (\$1,400,000)
22 to fund 16 personnel years in the Energy Commission to
23 implement subdivision (a). *Funds appropriated pursuant to this*
24 *paragraph shall be used to fund temporary staff resources,*
25 *including, but not limited to, limited term positions, not to exceed*
26 *a term of four years, at the commission for the exclusive purpose*
27 *of implementing programs funded pursuant to this subdivision.*

28 (12) Twenty-five million dollars ~~(25,000,000)~~ (\$25,000,000)
29 to provide loans to schools pursuant to the Energy Conservation
30 Assistance Act (Chapter 5.2 (commencing with Section 25410) of
31 the Public Resources Code).

32 (13) Six hundred thousand dollars (\$600,000) for four
33 personnel years to improve the ability of the Energy Commission
34 to provide timely and accurate assessments of electricity and
35 natural gas markets.

36 (c) Funds appropriated pursuant to subdivisions (a) and (b)
37 shall be expended pursuant to guidelines adopted by each
38 commission. The guidelines shall be exempt from the
39 requirements of Chapter 3.5 (commencing with Section 11340) of

Part 1 of the Division 3 of Title 2 of the Government Code and shall do all of the following:

(1) Establish cost-effectiveness criteria for programs funded.

~~(2) Establish limitations on administrative overhead cost associated with the programs that ensure that the maximum feasible amount of funds are expended for direct and measurable energy conservation, peak load reduction, and energy efficiency.~~

Within 10 days from the date of the adoption of criteria pursuant to this paragraph, each commission shall provide a copy of the criteria to the Chairperson of the Legislative Budget Committee, to the Chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor.

(2) *Limit administrative costs to not more than 2 1/2 percent of the amount of the funds expended. For the purposes of this paragraph, "administrative costs" means personnel and overhead costs associated with the implementation of each measure or program. However, "administrative costs" does not include costs associated with marketing or evaluation of a measure of a program.*

(3) Allow reasonable flexibility to shift funds among program categories in order to achieve the maximum feasible amount of energy conservation, peak load reduction, and energy efficiency by the earliest feasible date.

(4) Establish matching fund criteria that, except for funds appropriated pursuant to paragraphs (2) and (3) of subdivision (a), ensure that entities eligible to receive funds appropriated pursuant to subdivisions (a) and (b) pay an appropriate share of the cost of acquiring or installing measures to achieve the maximum feasible amount of energy conservation, peak load reduction, and energy efficiency by the earliest feasible date.

~~(5) Establish mechanisms and criteria to prohibit any funds from being provided to electric and gas electrical corporations that are in bankruptcy.~~ *that ensure that funds expended pursuant to this section through electric and gas corporations are not seized by the creditors of those corporations in the event of a bankruptcy. In implementing this paragraph, the commissions shall adopt mechanisms such as the segregation of funds by the electric or gas corporation, the holding of those funds in trust until they are expended, and the reversion of funds to the General Fund in the event of bankruptcy.*

(6) Establish tracking and auditing procedures to ensure that funds are expended in a manner consistent with this act.

(d) Within six months of the effective date of this section, each commission shall contract for an independent audit of the expenditures made pursuant to subdivisions (a) and (b) for the purpose of determining whether the funds achieved demonstrable energy peak demand reduction while limiting administrative costs associated with expenditures made pursuant to those subdivisions. *Within one year of the effective date of this section, each commission shall submit the audit prepared pursuant to this paragraph to the Chairperson of the Joint Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor.*

~~(e) In order to achieve a reduction in peak electricity demand, ten~~ Ten million dollars (\$10,000,000) to the Department of Consumer Affairs to implement a public awareness program to reduce peak electricity usage. The department shall ensure that the program includes the use of nontraditional mass media, including, but not limited to, the use of community based organizations, mass media in different languages, and media targeted to low-income and ethnically diverse communities.

(f) In order to achieve a reduction in peak electricity demand, twenty-four million dollars (\$24,000,000) to the Department of Corrections to install systems to retrofit generation units to improve environmental performance of existing electric generating units. ~~The department shall report to the Legislature on or before _____ the amount of money it has earned as a result of increased generation due to retrofitting generation units.~~

~~(g) Fifty million dollars (\$50,000,000) to the Department of~~
(g) One hundred million dollars (\$100,000,000) to the Department of General Services to be expended for the purposes of implementing Chapter 3.5 (commencing with Section 4240) of Division 5 of Title 1 of the Government Code. *The department shall limit its administrative costs to not more than 2 1/2 percent of the funds expended. For the purposes of this paragraph, ‘administrative costs’ means personnel and overhead costs associated with implementation of each measure or program. However, “administrative costs” does not include costs associated with marketing or evaluation of a measure or program.*

(h) One hundred twenty million dollars (\$120,000,000) to the Department of Community Services and Development for the purpose of supplementing the Low-Income Home Energy Assistance Program (LIHEAP). The department may also use these funds for the purposes of increasing participation in the LIHEAP program. *The department shall limit administrative costs to not more than 2 1/2 percent of the funds expended. For the purposes of this paragraph, "administrative costs" means personnel and overhead costs associated with the implementation of each measure or program. However, "administrative costs" does not include costs associated with the marketing or evaluation of a measure or program.*

~~(i) In order to achieve a reduction in peak electricity demand of 120 megawatts, fifty million dollars (\$50,000,000), upon approval of the Department of Finance, for programs to encourage implementation of energy efficient programs in state buildings and at community colleges.~~

~~(j) In order to achieve a reduction in peak electricity demand at facilities of the Department of Transportation, the fifteen million dollars (\$15,000,000) appropriated from the State Highway Account by this section shall be allocated to the Department of Transportation, upon approval of the Department of Finance, to initiate energy audits and conservation projects at facilities of the Department of Transportation.~~

(i) *Each state agency receiving funds appropriated pursuant to this section shall ensure, where appropriate, not less than 85 percent of the funds shall be expended for direct rebates, purchases, buy-downs, loans, or other incentives that will achieve reductions in peak electricity demand and improvements in energy efficiency.*

(j) *On or before January 1, 2002, each state agency receiving funds appropriated pursuant to this section shall provide quarterly reports to the Chairperson of the Joint Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor, which include all of the following information:*

(1) The amount of funding expended.

(2) The measures, programs, or activities that were funded.

(3) A description of the effectiveness of the measures, programs, or activities funded in reducing peak electricity demand

1 *and improving energy efficiency, as measured in kilowatthours of*
2 *electricity reduced per dollar expended.*

3 SEC. 6. Any contracts entered into pursuant to Section 5 of
4 this act by a state agency are exempt from the following
5 requirements of the Government Code and the Public Contracts
6 Code:

7 (a) ~~Services~~ *Except for any contract entered into by the*
8 *Department of Consumer Affairs pursuant to subdivision (e) of*
9 *Section 5 of this act, services* contracts are exempt from Article 4
10 (commencing with Section 10335) of Chapter 2 of Part 2 of
11 Division 2 of the Public Contract Code.

12 (b) Consulting services contracts are exempt from Article 5
13 (commencing with Section 10359) of Chapter 2 of Part 2 of
14 Division 2 of the Public Contract Code.

15 (c) Architectural and engineering contracts are exempt from
16 Chapter 10 (commencing with Section 4525) of Division 5 of Title
17 1 of the Government Code, and from Sections 6106 and 6106.5 of
18 the Public Contract Code.

19 (d) All contracts are exempt from Section 10295 of the Public
20 Contract Code, relating to approval from the Department of
21 General Services.

22 (e) All contracts are exempt from Chapter 6 (commencing with
23 Section 14825) of Part 5.5 of Division 3 of Title 2 of the
24 Government Code, relating to advertising.

25 SEC. 7. Sections 5 and 6 of this act shall remain in effect only
26 until January 1, 2005, and as of that date is repealed unless a later
27 enacted statute, that is enacted before January 1, 2005, deletes or
28 extends that date. Any funds appropriated under Section 5 of this
29 act that are unencumbered by January 1, 2005, shall revert to the
30 General Fund on that date.

31 SEC. 8. This act is an urgency statute necessary for the
32 immediate preservation of the public peace, health, or safety
33 within the meaning of Article IV of the Constitution and shall go
34 into immediate effect. The facts constituting the necessity are:

35 Due to the shortage of electric generation capacity to meet the
36 needs of the people of this state and in order to limit further impacts
37 of this shortage on the public health, safety, and welfare, it is
38 necessary that this act take effect immediately.

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